

Message Text

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ACTION PM-05

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FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 7288
INFO DSAA/TC USSOUTHCOM QUARRY HEIGHTS CZ

UNCLAS BOGOTA 3115

SUBJ: REQUEST FOR USE OF FY 78 CREDITS TO PURCHASE SPARE PARTS

1. MILGP COLOMBIA IS IN RECEIPT OF CORRESPONDENCE FROM COLOMBIAN
ARMED FORCES REQUESTING AN EXCEPTION TO POLICY TO USE FY 78 CREDITS
TO PURCHASE SPARE PARTS THRU FMS IN FOLLOWING AMTS:

COLOMBIAN AIR FORCE - \$6 MILLION
COLOMBIAN NAVY - \$3 MILLION
COLOMBIAN ARMY - \$7 MILLION

FOLLOWING THE LOSS OF FY 77 CREDITS, THE GOVT OF COLOMBIA WAS
ADVISED THAT THE INITIAL FY 78 CREDIT OF \$26 MILLION WOULD BE
FOLLOWED BY A SECOND FY 78 CREDIT. THE SIXTEEN MILLION DOLLARS
SPARES REQUEST REPRESENTS APPROX ONE-FOURTH OF THE TOTAL FY 78
MONIES COLOMBIA HOPES TO RECEIVE. THE PROPORTION CAN ONLY BE AN
APPROXIMATED AS THE TOTAL VALUE OF FY 78 CREDITS IS STILL UNKNOWN.

2. THE COLOMBIAN ARMED FORCES (CAF) ARE OPERATING UNDER CONDITIONS
OF EXTREME AUSTERITY. A TOTAL ANNUAL OPERATING BUDGET OF LESS THAN
\$200 MILLION FOR ALL SERVICES MANDATES ELIMINATION OF ALL BUT
ESSENTIAL EXPENDITURES. THIS IN TURN, PLACES INCREASED RELIANCE ON
FMS CREDITS FOR THE MODEST MODERNIZATION PROGRAM PLANNED BY THE
CAF. PRESENT AND ANTICIPATED FMS CREDITS ARE SIGNIFICANTLY BELOW
MINIMUM LEVELS NECESSARY TO MEET THE DEMANDS FOR ESSENTIAL MODERNI-
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FULLY HUSBANDED TO INSURE MAXIMUM BENEFIT FROM MONIES AVAILABLE
FOR DEFENSE NEEDS. IN MANY INSTANCES THIS MEANS THAT OLD AND
SOMETIMES OBSOLETE EQUIPMENT AND WEAPONS MUST BE MAINTAINED IN A
SERVICEABLE CONDITION BECAUSE FUNDS ARE NOT AVAILABLE FOR REPLACE-
MENT. THIS CONDITION IS NOT ENTIRELY UNDESIRABLE SINCE WE NOW
FIND A RELUCTANCE TO EXPEND FUNDS FOR NEW, COSTLY, AND SOPHISTICATED
MATERIEL WHEN THE OLD AND REPAIRABLE CAN BE MADE TO SUFFICE. WITHOUT

THE RESOURCES TO PROCURE THE SPARE PARTS NECESSARY TO PLACE THE OLDER, LESS SOPHISTICATED EQUIPMENT IN SERVICEABLE CONDITION, THE DEMAND QUICKLY BECOMES ONE FOR THE NEW, COSTLY HARDWARE.

3. THE COLOMBIAN AIR FORCE (FAC) AIRCRAFT FLEET HAS ALMOST DOUBLED IN SIZE IN THE PAST YEAR WITH MAJOR ACQUISITIONS OF HELICOPTERS, T-33 AND SUPPORT AIRCRAFT ALL PURCHASED FROM THE US AND FINANCED THRU FMS CREDITS. THE FAC LOGISTICS AND SUPPORT SYSTEMS ARE NOW ONLY BEGINNING THE EXPANSION NECESSARY TO COPE WITH THIS INCREASED SIZE. MONIES ORIGINALLY INTENDED TO OPERATE AND SUPPORT THE LARGER FLEET HAVE BEEN DIVERTED TO MEET REQUIREMENTS FOR INCREASED PERSONNEL, TRAINING, CONSTRUCTIONS OF WAREHOUSES AND RAMP FACILITIES AND OTHER SUPPORT EFFORTS. APPROVAL OF THE USE OF FMS CREDITS FOR SUPPLY SUPPORT CASES IN THE AMOUNT OF SOME \$6 MILLION WILL ALLOW THE FAC TO OBTAIN SPARES AS THEY ARE NEEDED TO SUPPORT CONTINUED MAINTENANCE OF EQUIPMENT WE HAVE PREVIOUSLY FINANCED.

4. IN SEP 77, THE COLOMBIAN NAVY AGREED TO PAY A LONG-STANDING DEBT TO THE US FOR CASE FMS SALES. THIS DEBT CAME TO LIGHT ONLY WITH THE RECENT CHANGE IN FMS ACCOUNTING PROCEDURES. THE DEBT AMOUNTED TO OVER A HALF MILLION DOLLARS AND IS CURRENTLY BEING PAID FROM COLOMBIAN NAVY OPERATING FUNDS. THIS ACTION LEAVES THE NAVY WITHOUT CASH FOR MUCH NEEDED SPARE PARTS. THIS PROBLEM WAS ALLEVIATED TO A SMALL EXTENT BY SECRETARY OF STATE APPROVAL OF \$300,000 IN FY 76 CREDITS TO BE USED FOR THE PURCHASE OF SPARE PARTS; HOWEVER, THE SITUATION REMAINS CRITICAL FOR THOSE US SHIPS UNCLASSIFIED

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PURCHASED BY THE COLOMBIAN NAVY OVER THE PAST 15 YEARS. MOST OF THESE SHIPS ARE NOW NON-OPERATIONAL DUE TO A LACK OF SPARE PARTS. IF FORCED TO REPLY SOLELY UPON THEIR OWN OPERATING BUDGET TO PAY EXISTING DEBTS AND TO PURCHASE SPARE PARTS, THE COLOMBIAN NAVY CAN BE EXPECTED TO REMAIN AT A LOW OPERATIONAL READINESS STATUS. SUCH A SITUATION WILL SERIOUSLY IMPACT ON OUR ANTI-NARCOTICS PROGRAM IN-COUNTRY AS WELL AS OUR GOAL OF ACHIEVING GREATER COLOMBIAN PARTICIPATION IN THE DEFENSE OF THE PANAMA CANAL APPROACHES.

5. IN THE CASE OF THE COLOMBIAN ARMY WHICH WILL RECEIVE THE MAJOR SHARE OF FMS CREDIT MONIES, MUCH OF THESE FUNDS WILL BE USED TO PROCURE SURPLUS US MATERIEL WITH THE REMAINDER TO BE USED TO UPGRADE EXISTING EQUIPMENT REATHER THAN TO PROCURE NEW AND MORE COSTLY ITEMS. WHILE THE PROCUREMENT ACTION COULD BE ARRANGED SO AS TO PROVIDE CONCURRENT SPARE PARTS FOR NEW AND SURPLUS MATERIEL, IT IS CONSIDERED THAT THIS ONE-TIME SHIPMENT AND RECEIPT OF SPARE PARTS WOULD CREATE PROBLEMS IN STORAGE, ACCOUNTING, AND EFFECTIVE UTILIZATION WHICH COULD BE AVOIDED THROUGH A SYSTEM OF PHASED ACQUISITION. APPROVAL TO PROCURE SPARE PARTS IN THIS MANNER WILL ENCOURAGE THE DEVELOPMENT OF A MORE RESPONSIVE LOGISTICS SYSTEM AND MAXIMIZE THE VALUE OF FUNDS SPENT FOR SPARE PARTS PROCUREMENT.

6. REQUEST EARLY ACTION ON THE REQUEST CONTAINED IN PARA 1.
ASENCIO

NOTE BY OC/T: PARA. 2. AS RECEIVED. CORRECTION TO FOLLOW.

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